

Message Text

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TAGS: ELAB, ECON, IS
SUBJECT: GOVERNMENT ENGINEERS AND OTHER PROFESSIONALS ON STRIKE

SUMMARY: SOME 35,000 GOVERNMENT ENGINEERS AND PROFESSIONAL CIVIL SERVANTS ARE CURRENTLY STRIKING. ALTHOUGH BOTH SIDES HAVE INDICATED FLEXIBILITY, NEGOTIATIONS ARE REPORTEDLY ACRIMONIOUS, ACCOMPANIED BY PUBLIC DEMONSTRATIONS. GOVERNMENT AND HISTADRUT SOURCES STILL PREDICT SETTLEMENT OVER THE WEEKEND. IN THE MEANTIME THE GOVERNMENT IS TRYING TO OBTAIN KNESSET APPROVAL OF A MUCH WATERED-DOWN TEMPORARY PRICE-WAGE-TAX FREEZE PACKAGE AGREEMENT TO REMAIN IN FORCE UNTIL JULY 1, I.E., AFTER KNESSET AND HISTADRUT ELECTIONS.
END OF SUMMARY

1. WITH MARATHON NEGOTIATIONS CONTINUING, THE FEBRUARY 17 STRIKE DEADLINE FOR CIVIL SERVICE ENGINEERS AND CIVIL SERVANTS WITH UNIVERSITY DEGREES IN THE SOCIAL SCIENCES PASSED AND AN ESTIMATED 35,000 GOVERNMENT EMPLOYEES ARE NOW STRIKING. ACCORDING TO DEPUTY CIVIL SERVICE COMMISSIONER WERTHEIMER, THIS INCLUDES ALL 14,000 ENGINEERS IN GOVERNMENT SERVICE AND 65-70 PERCENT OF THE GROUP WITH SOCIAL SCIENCE DEGREES, I.E., ALL THOSE
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IN LOWER AND MEDIUM GRADES. FOR THE FIRST TIME, FOREIGN MINISTRY AND FINANCE MINISTRY, INCLUDING SOME SENIOR OFFICIAL PERSONNEL ARE ALSO STRIKING.

2. BOTH THE GOVERNMENT AND HISTADRUT ARE TRYING TO MINIMIZE THE POSSIBLE CHAIN REACTION OF WAGE CONCESSIONS, WHICH THEY ADMIT THEY MUST MAKE IN ORDER TO

RESTORE NORMAL FUNCTIONING OF THE CIVIL SERVICE. EFFORTS TO OBTAIN TNMPORARY PRICE-WAGE FREEZE LEGISLATION COMPOUND THE NEGOTIATION PROBLEMS. STOPPAGE OF WEATHER REPORTS, SOME RADIO PROGRAMS, AND SOCIAL WELFARE SERVICES ARE CURRENTLY THE PRINCIPAL IMPACT ON THE PUBLIC, BUT THE STRIKE HAS SPREAD TO SEVERAL DEFENSE PLANTS AND IF PROLONGED MAY AFFECT UTILITIES. THE ENGINEERS WANT IMPLEMENTATION OF A LABOR COURT DECISION GRANTING SPECIAL INCREASES TO GRADUATE ENGINEERS WHO PERFORM DUTIES CORRESPONDING TO THEIR SPECIALIZED ENGINEERING TRAINING. THE CIVIL SERVANTS WITH DEGREES IN THE SOCIAL SCIENCES WANT THEIR STARTING SALARIES RAISED FROM THE PRESENT IL 2,600 TO THE MEDIAN CIVIL SERVICE SALARY LEVEL OF IL 3,000 (\$290-\$355), CLAIMING THAT PRESENTLY 70 PERCENT OF THIS EMPLOYEE CATEGORY (A HIGH PERCENTAGE ARE WOMEN) EARNS LESS THAN MEDIAN LEVEL.

3. THE NEGOTIATIONS HAVE REPORTEDLY BEEN BITTER AND THERE HAVE BEEN ACRIMONIOUS DEMONSTRATIONS IN FRONT OF THE PRIME MINISTER'S OFFICE AND THE HISTADRUT AND WALK-OUTS OF EMPLOYEE REPRESENTATIVES FROM THE NEGOTIATIONS. HOWEVER, THE GOVERNMENT AND HISTADRUT REPORT CONTINUING FLEXIBILITY IN GOVERNMENT AND UNION POSITIONS.

4. THE ENGINEERS HAVE ALREADY LIMITED THEIR DEMAND TO COMPLIANCE WITH THE LABOR COURT DECISION, WHICH WOULD MEAN SPECIAL UPGRADING OF 2,000 OF 14,000 LIMITED OFFICIAL USE

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ENGINEERS EMPLOYED IN GOVERNMENT SERVICES. FOR OTHERS THEY ASK SMALLER GENERAL INCREASES. THEY AND THE EMPLOYEES WITH SOCIAL SCIENCE DEGREES HAVE SAID THAT THEY ARE WILLING TO ACCEPT AN INTERIM WAGE ADJUSTMENT BEFORE THE GOVERNMENT INVOKES ITS WAGE-PRICE FREEZE AND WOULD NEGOTIATE FURTHER ADJUSTMENTS WITH PAYMENTS TO BE DEFERRED UNTIL JULY WHEN THE PROPOSED PRICE-WAGE PACKAGE EXPIRES.

5. WITH THE GOVERNMENT HAVING ALREADY CONCEDED THAT SOME WAGE ADJUSTMENTS MUST BE GRANTED, THE QUESTION NOW IS HOW MUCH AND WHEN. THIS GOVERNMENT FLEXIBILITY HAS CREATED GENERAL UNCERTAINTY ABOUT ITS LIMITS, THUS MAKING NEGOTIATIONS MORE DIFFICULT. MOREOVER, THE GOVERNMENT HAS TABLED IN THE KNESSET WHAT WAS ORIGINALLY HAILED AS A SPECIAL EMERGENCY PRICE-WAGE-TAX FREEZE PACKAGE TO REMAIN IN FORCE UNTIL JULY 1. HOWEVER, EXCEPT FOR CONTROL OF PRICES, THE PROPOSED LAW CONTAINS NO PENAL ENFORCEMENT PROVISIONS, THUS

MAKING ITS USEFULNESS IN CONTROLLING INFLATION DOUBTFUL. THE GOVERNMENT NOW CLAIMS TO HAVE KNESSET MAJORITY SUPPORT FOR THIS NEW LAW, WHOSE PRINCIPAL EFFECT WILL BE MORAL SUASION RATHER THAN SHOW OF STRENGTH.

6. WITH THE FIRST VOTE ON THE LAW EXPECTED FEB. 21, NEGOTIATORS ARE FACED WITH A DEADLINE TO REACH A COMPROMISE BEFORE THE FREEZE IS ANNOUNCED. THE GOVERNMENT ALSO HOPES THAT BY INVOKING A FREEZE FOLLOWING THE AGREEMENT WITH ENGINEERS AND SOCIAL SCIENCE EMPLOYEES, IT MAY BE ABLE TO MINIMIZE A CHAIN REACTION OF FURTHER DEMANDS.

7. TECHNICIANS WITHOUT ENGINEERING DEGREES AND INTERNAL REVENUE EMPLOYEES HAVE, IN TURN, ANNOUNCED THREATS TO STRIKE AND ALSO WANT AWARDS BEFORE THE FREEZE. WAGE INCREASES GRANTED NOW WOULD AFFECT THE LIMITED OFFICIAL USE

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LEVEL AT WHICH THE CONTRACTUAL MARCH 1 COST OF LIVING ADJUSTMENTS WILL BE GRANTED (WHICH WILL BE EXEMPT FROM FREEZE).

8. COMMENT: ACCORDING TO BOTH GOVERNMENT AND HISTADRUT SOURCES, THE PRESENT STRIKE OF ENGINEERS AND PROFESSIONAL CIVIL SERVANTS IS LIKELY TO CONTINUE UNTIL FEBRUARY 20 OR 21, FOLLOWED BY THE ANNOUNCEMENT OF AN INTERIM SETTLEMENT FOR THE STRIKING GROUPS AND PROMISES OF INTERIM WAGE INCREASES TO OTHER CIVIL SERVICE GROUPS IN RECOGNITION THAT THE REAL EARNINGS OF PUBLIC SERVICE EMPLOYEES HAVE SUBSTANTIALLY DECLINED DURING THE PAST TWO YEARS, WHEREAS REAL WAGES IN THE PRIVATE SECTOR HAVE CONTINUED TO INCREASE. THE GOVERNMENT'S MAIN OBJECTIVE SEEMS TO BE TO SOMEHOW SQUEAK BY UNTIL THE KNESSET AND HISTADRUT ELECTIONS ON MAY 17 AND JUNE 21, RESPECTIVELY.
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